

DRAFT
CITY OF WAUSAU – PARK AND RECREATION COMMITTEE MEETING MINUTES

Date/Time: October 6th, 2014 at 5:30pm Location: Wausau Downtown Airport
Members Present: Gary Gisselman, Robert Mielke, David Nutting, Tom Neal, David Oberbeck (c),
Others Present: William Duncanson–Director, Rick LaFrombois – City Pages, Nora Hertel – Wausau Daily Herald

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Oberbeck at 5:30pm. No public comments.

Approval of Minutes – **Motion** by Mielke, second by Nutting to approve the Park and Recreation Committee September 2nd, 2014 draft minutes. Motion **carried** by voice vote. Vote reflected as 4-0.

2015 Budget – Discussion and Possible Action on the Following:

A. Outcome and Required Revisions to Proposed 2015 Budget

Duncanson said park staff achieved 0% increase in non-personnel items requested by the Mayor by dropping a number of small maintenance projects. Requests made by the Mayor in two areas include reducing seasonal wages by \$40,000. Staff recognizes there are always funds left in this account at year-end. The practice has been to fully fund all seasonal positions. In practice, many of these positions do not work all scheduled hours for a variety of reasons. Recreation program positions are impacted by inclement weather that reduce facility use or require closing. Labor positions are less impacted by weather but are not always utilized due to variable start dates, time off, no-notice no-shows for better opportunities, and earlier than anticipated resignations. Staff agrees that it can reduce funding but not the full \$40,000. The \$40,000 estimate is based on our 2014 approved budget which included a significant wage increase for many seasonal employees. When the new wage increase is adjusted for in comparing to prior years actual expenditures, staff believes a reduction of \$23,000 would be sustainable. The Mayor is considering applying these to the parks supplemental budget request. The second request regarded concerns that workers compensation insurance costs have increased \$35,000 in two years. All parks, recreation and forestry employees are County employees and are covered by the County workers compensation rates. Overall, the County has had two very bad years which is allocated back evenly to all departments. Duncanson said while this is not good news, the County Finance Director also points out significant offsetting savings in 2015 from a 0% increase in health insurance versus the City's increase and an additional \$5,500 in reduced premiums for insurance provided by the County due to Parks, Recreation, and Forestry Department performance and overall policy management. Oberbeck said it's important to note that there are some savings on the County side that balance the increase.

B. Process for Funding 400 Block Expenditures

Duncanson said that last month this Committee recommended that existing waivers for 400 Block rental fees be done away with. However, the waiver for groups that get City funding for in-kind services was not going to be touched. Finance Committee had the impression that all fees were going up when this wasn't the case. The only change this Committee recommended was that groups that had a waiver on rental fees no longer had a waiver. Oberbeck said at Finance Committee the fees did not get passed as far as increasing. What got passed was to take the 400 Block out of the park and recreation budget. To move this into a separate fund where they can track costs for all departments and his understanding is the park and recreation department would bill that fund and it would no longer be in their budget. Duncanson said he recently received additional information on how the Mayors budget is being put together and it's not quite what Oberbeck believes the Finance Committee intended. He distributed a 400 Block Fund sheet. He said the most important point is the cost of operating the 400 Block including subsidizing special events has been taken out of existing park and recreational funds and no additional funds have been added in the budget for that. This is the budget that Finance Director and Mayor will likely be providing to Council. He said based on our department cost accounting system the different 400 Block expenditure areas were identified for 2012 and 2013. For 2012 the total 400 Block costs were \$84,374 and 2013 were \$80,871. Duncanson discussed the costs broken down into different categories. He said it ends up with total anticipated expense for 2015 of \$83,719.00. Looking on the revenue side of public charges for services and transfers from other funds is \$83,719.00. Essentially they are taking every dollar from the parks and recreation budget we expended on the 400 Block and putting it into the 400 Block Fund. Basically this codifies that 100% of funding for the Block comes out of existing park and recreation funding whether its maintenance our special event related. Oberbeck said that wasn't what Finance approved. Duncanson

discussed the maintenance and labor needed for special events. He said the department estimated 60% of the general maintenance reporting category costs are event related. Out of the total annual expenditure of \$80,871 our estimate is \$33,039 is event related. He suggests if the 400 Block Fund is set up it be set up based on special events costs and \$33,039 is appropriate. The Parks, Recreation, and Forestry Department requested around that amount in our 2015 supplemental budget request a month ago. Based on the discussion this Committee had that that would come from someplace else other than the parks budget. Nutting said what you have seen in preparation was costs for this 400 Block budget were suggested to be pulled out of your existing budget and moved over there but was there any increase historically into your budget for 400 Block costs previously? Duncanson said no. Nutting said so they are taking money out that you are currently using and moving funds you were using previously before the 400 Block was created. Duncanson said yes it is coming out of funds that we have used in the past in other parks and other recreation programs in the City so we have had to diminish those to maintain the 400 Block and also to subsidize special events. Nutting said that is not what we wanted. Oberbeck said that at the Finance meeting people objected to being charged fees, similar to prior years. A second discussion was to establish a separate fund and even discussion that it's not a park but a special event type center in downtown that has that purpose. All departments should be keeping track of time associated with special events and that is not happening so it just gets buried in the budget. Our discussion was that other parks be maintained at the level they were. At Finance deleting the fee waiver was voted down. There was discussion on the 400 Block budget and it was to be researched and brought back. He was surprised the Finance Department came back and asked for dollars out of the parks and recreation budget because that was not discussed. Duncanson said if we were to give all of our budgeted dollars for 400 Block back to the City that would be easy because that would be zero. There never have been any dollars budgeted for the 400 Block. Oberbeck questioned if the 400 Block Fund assumes parks, recreation and forestry is giving back \$83,000 to the general fund, where is this new money coming from? Duncanson said if this happens the way its proposed then what would happen to our department budget is we would have to create new revenue lines equal to the 400 Block Fund to bill it back as the year goes on. Oberbeck said the mission statement says it will be transferred in from room tax dollars, donations and rental funds. It will not be coming from Park and Recreation as well as donations and looking for sponsors. Duncanson said when he talked to Groat last Friday her impression was that it was going to be coming from the parks and recreation budget. So that needs to be verified. His sense is the basic park maintenance doesn't need to be moved out of the parks and recreation budget. Oberbeck said it still has to come back to Finance Committee as far as what the recommendations are. He assumes that entire dollar amount is coming from room tax, donations and rental fees. Gisselman said the Finance Committee would have to reaffirm its position. Oberbeck said and based on the Finance Committee recommendation that it become a separate fund separate from park and recreation and reaffirm that. Nutting agreed to reaffirm that it's not an actual removal from the parks and recreation budget which clearly was never set up to maintain the 400 Block but is now. Oberbeck said it was the direction and action of this Committee to move it forward to remove the obligation of the Park and Recreation Committee to provide funding for the 400 Block. It's a separate fund with new funds because there was never any funding for that in the Parks, Recreation and Forestry budget. Duncanson said and it was recommended to have the waiver on rental fees only cease to exist. There was no fee increase. Oberbeck said the existing fees would apply to the users. Because we saw with Wausau Events the umbrella had grown to include a lot of different people that would not normally fall under that umbrella so that nobody was paying fees and there was no revenue. Duncanson said that part of the reason he suggests the 400 Block fund only cover special event costs is that the parks department isn't the only department that provides services there. Others like DPW, Police, etc. also do a lot and their concerns need to be reflected in this budget also. It shouldn't just be the parks budget; it should be a special events budget that actually reflects the costs of the City supporting special events that helps keep all of the contributing departments whole. That was his overall philosophy in trying to take out the routine maintenance costs like mowing grass, maintaining the trees, safety items at the level of day to day park operation but not the additional over and above costs generated by events. Oberbeck said the City should get a handle on costs associated with the 400 Block because there will be maintenance costs as it ages and the funding should be built and planned for rather than as a large capital expense. Gisselman agreed that the City needs to know how much the events and everything going on the 400 Block are costing the City and this is one way of doing it. Oberbeck said and if it costs \$100,000 to run it that's what the costs are but plan for it and have it in your budget. Gisselman agreed and said to let the people know what it's costing. Oberbeck said because park and recreation facilities aren't always going to make money because they are there as quality of life but the costs have to be acknowledged and not hidden. Duncanson said there are businesses that would like to locate in downtown Wausau but there are not enough vacant spaces or the right sizes spaces for them to come in. A part of the reason is because it's a successful downtown and the 400 Block is a

big piece of that. There is nothing wrong with the City putting money into the 400 Block and events because there is a tremendous payoff for the community. But it is wrong if the City can't identify what those costs are and also doesn't identify the benefits in personal property taxes, real estate taxes and general flow of business. Oberbeck said when people live around parks and green spaces the property taxes go up and it more desirable to be in that location. The property values around the 400 Block should be going up. It does affect the value of downtown and that is important. Duncanson said when he has a backlog in maintenance projects in neighborhood parks and the department is putting more and more money into the 400 Block. That doesn't work. If he is told that's the policy, fine. Nutting said that is not what we wish the policy to be. Duncanson said but it is sort of a defacto policy just as things have kind of developed. Gisselman thought the policy should go to City Council. Oberbeck said this Committee should be part of the discussion and it goes through Finance and Council. Duncanson said we are dealing with success. Oberbeck said this could be sent to council as a matter of policy that it should be a separate fund in which different departments can bill against for their expenditures for special events. Nutting questioned if it was clear that the costs to maintain special events will come from room tax dollars. Oberbeck said that Duncanson was under the impression that funds are being moved from parks, recreation and forestry funding to create the 400 Block Fund and that is not what Committee wants. Duncanson said his impression is that based on our 400 Block cost allocation our budget is being reduced by that amount at this time. And they show up in the 400 Block Fund so we can apply for reimbursement. His impression was to find direct funding for special events and take that burden off our department which this doesn't do at all. Oberbeck said discussion at Finance Committee was that everything associated with 400 Block including mowing should be out of a separate 400 Block Fund so that it stands by itself because the question came up if it was truly a park. Gisselman asked that they put a common understanding of what policy would be and move it to Finance Committee. Coming from this is larger policy issue than funding. Gisselman felt Duncanson and Oberbeck should have a prepared statement of what the Park and Recreation Committees stand is because Duncanson has a concern that regular maintenance will happen no matter what and that will be charged to the Parks, Recreation and Forestry Department but for other special events the City should know what the revenues and expenses are for that. Duncanson felt the simplest way to say it would be in creating the 400 Block Fund that funding for special events should not be taken away from the existing parks and recreation budget. Oberbeck added or any expenses relating to special events will come from the 400 Block Fund and be reimbursed to park and recreation. Duncanson said but that's in addition, we have to talk about where that money is going to come from originally that's his concern. Oberbeck said you don't do anything on the 400 Block and if you do something on the 400 Block you get reimbursed for that. That was the intent of the Finance Committee when they established that separate fund. That Parks, Recreation and Forestry is no longer financially responsible for the 400 Block. Anything that any department would do associated with that would get reimbursed from this fund. Duncanson asked where the money is coming from to create this fund. Oberbeck said in the mission statement it says from the room tax fund, donations and rental fees. Or sponsorships or foundations that would contribute to that fund to supplement the budget to do what is needed on the 400 Block. Duncanson wondered if they should wait until the Mayor submits his entire budget and look at line items to see if the parks budget has gone down by the same amount that the 400 Block has gone up. Gisselman wanted a clearer picture and the policy set before proceeding with the budget. Oberbeck said that would be clarified at the next Finance Committee meeting. That the Park and Recreation Committee would like clarification from the Finance Committee. Nutting said that it's our intent that we not have previously used funds for maintenance of this Block to continue to be coming from the current park and recreation budget but that new funds be established guaranteed to fund existing maintenance. Oberbeck said he would ask as Park and Recreation Committee Chair that a presentation of the 400 Block Fund be given at Finance Committee.

Gisselman left at 6:30pm.

C. Review Current Swimming Pool Fees and Determine Appropriate Fees for the Enhanced Kaiser Pool

Duncanson said last month Committee went through all fees for the 2015 budget other than swimming pool fees. With the opening of the new Kaiser Pool in July 2015 labor expenses will increase significantly. To properly operate the two large waterslides, four additional deck locations will need to be occupied seven days/week. This will require at least 5-6 40 hour/week positions to fully staff. Additional staff may be required for the concession stand. Overall there will be more facility to maintain. Staff anticipates additional entry and concession revenues and reduced water and water heating costs. However, staff does not expect revenues and utility savings to completely offset labor and maintenance cost increases. Currently everyone is charged \$1.00 daily fee. Season passes are only available to City residents at \$52.00/family pass and \$21.00/individual pass. Pools are free after 6:00 pm on Wednesdays. Three

daily fee options were presented and staff recommends the Option 1 of \$2.00/youth, \$3/ adult, \$2/senior, and \$0/infants under 1. Free night Wed. from 6pm to 8pm and reduced rates after 6pm of \$1/youth, \$2/adult, and \$1/senior. Nutting said we aren't having fees to recoup the costs of operation but to provide a quality of living facility in these neighborhoods. The fees are not extraordinarily out of line for the general public to come to the pools. Oberbeck asked if this is workable within the budget in maintaining the parks budget at zero percent. Duncanson said in order to maintain close to zero percent there has to be a fee increase. Increased concession revenues should help as well as decreased water consumption and water heating costs although more water will be pumped up the slides. There are some unknowns but staff has had discussions with the consultant. Staff recommends Option 1 and to also leave the season pass costs alone this year. **Motion** by Nutting, second by Mielke to accept Option 1 for increased pool fees when the new pool opens and evaluate in a year. Duncanson said the department hasn't had non-City resident season passes for a number of years. With new pools more competitive there is a question as to whether to start that this year or wait a year. Nutting said with the Kaiser position geographically there are non-City residents close by. Oberbeck felt shutting down the other pools will increase the usage of Kaiser so he recommends waiting until all the pools are running and then looking at it. Nutting said non-City residents are already using the pool and paying the daily fee. Duncanson discussed the 2014 fees from Rothschild and Weston pools. He would recommend the non-City resident cost 25% more than residents this year and to increase that amount the following year. Oberbeck said his preference is that City residents should have full use of the pools first because they are paying for them as far as capital expenses and pool fees. Nutting understands that but also believes that the City offers a lot of things across the board where outside residents come in and use them. He bets the percentage of people that attend concerts on the 400 Block are outside the City borders is higher than people actually within the City limits. Nutting **amended** his motion, second by Mielke to have an option given to non-City residents to attend a pool at a cost of a season pass that is 25% higher than a City resident pass. Motion **carried** by voice vote. Mielke voted yes, Nutting voted yes. Oberbeck voted no. Oberbeck asked for a vote on the original motion as being Option 1 for the fee structure with the amended option to provide a non-resident season pass. Motion **carried** by voice vote. Oberbeck voted yes, Nutting voted yes and Mielke voted no.

Project Update – Duncanson provided the following update;

Athletic Park Perimeter Wall Repair – the project for tuck pointing, damaged cap replacement and minor foundation work was awarded to Norcon Construction. The contractor has until May 22, 2015 to complete the project. Questions about the project were answered.

Kaiser Pool Construction – work has commenced on the project, site grading is complete and work on the pool shell has begun. It is anticipated the contractor will work through the winter to meet the July 1 completion date.

Stinchfield Creek Boardwalk – funding has been secured to construct the boardwalk and bridge. Duncanson noted that they wouldn't be doing much on construction on it this year because the department is currently overexpended for where we are in the fiscal year. Projects such as Athletic Park with the terrible construction conditions and the east riverfront redevelopment project have utilized much more time than planned. Accordingly, we have temporarily reduced maintenance and construction work in City Parks to ensure adequate funding to prepare and operate winter program facilities and perform snow removal in November and December.

Neal arrived at 6:50pm

Future Agenda Items – river edge trail, associated green space and budgets, (future operations budget for new ventures,) winter program update

Next Regular Meeting – Monday, November 3, 2014 at 5:15pm at Board Room, City Hall.

Adjourn - **Motion** by Nutting, second by Mielke to adjourn at 7:00pm. Motion **carried** by voice vote. Vote reflected as 4-0.